

2003 National Construction Industry Issues Poll

Report of Findings



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Introduction

Over the years, the National Maintenance Agreements Policy Committee (NMAPC) and NEA – The Association of Union Constructors with the assistance of the Construction Labor Research Council (CLRC) have polled contractor leaders in the industry on issues important to the future of the unionized construction industry. The 2003 National Construction Industry Issues Poll is the most recent effort. These polls have been a valuable tool for assessing industry status and developing plans and policies to promote the growth of the unionized construction industry.

Issues evaluated are:

- Craft Worker Availability
- Training
- Productivity
- Owner/Customer Relations

In addition, based upon the findings of past polls, contractors were requested to evaluate the progress made in implementing suggestions for change.

Responses were received from a representative mix of contractors and owners throughout the United States during the first half of 2003. The greatest numbers were in the Great Lakes states where unionized industrial construction is the most prevalent. Answers also reflect the crafts hired by the contractors. The most often utilized craft by respondents was ironworkers, closely followed by laborers, carpenters, operating engineers and pipefitters.

Thank you to the contractors and owners who took the time to thoughtfully respond to this poll. Their efforts have resulted in the success of this study.

Summary of Findings

Respondents to the poll identified many assets of the unionized construction industry, but also found many topics in which improvements are needed. Three themes ran through the many issues discussed in the study.

Training – at all levels it is beneficial and every opportunity should be made to promote, expand and improve it.

Attitude – craft work attitude is poor and declining and programs are needed to reverse the situation.

Communication – when done well, all parties – management, labor, owner/customers – have made gains, but deficiencies are just as evident.

Strong industry conditions in recent years have often resulted in limited craft worker availability. This was especially true when viewing the past three years, but even in a weakening market, like during the last year, contractors sometimes experienced craft shortages. Respondents believed that the primary contributing factors to limited craft availability have been lack of promotion of construction opportunities by the educational system and union restrictions on available workers.

To overcome labor supply challenges, many urged the industry to become more proactive in recruiting. Expansion of successful existing school outreach programs was suggested. Improved skills and attitude were seen as means of better utilizing the current work force.

Satisfaction with journey worker and apprentice training was widespread, although there were some craft exceptions. Evaluation of skills acquired rather than time spent was widely endorsed for apprentice programs. The most important topics for improving and expanding the union construction industry's training programs were viewed to be those directly related to job performance, such as improving leadership abilities and job skills.

Improvements in productivity in company's office and project management functions have been widespread with changes in field/job site productivity less conclusive. Poor worker attitude was the most often noted factor constraining field productivity with poor communications close behind. In the office, advances in productivity enhancing tools have been more rapid than the commitment to train workers to utilize them to the fullest.

Favorable owner/customer relations were often related to good communications. Improvements in communications would be most beneficial in making future labor needs known and advising of new technology. Owner/customer support of contractors during local collective bargaining is unusual.

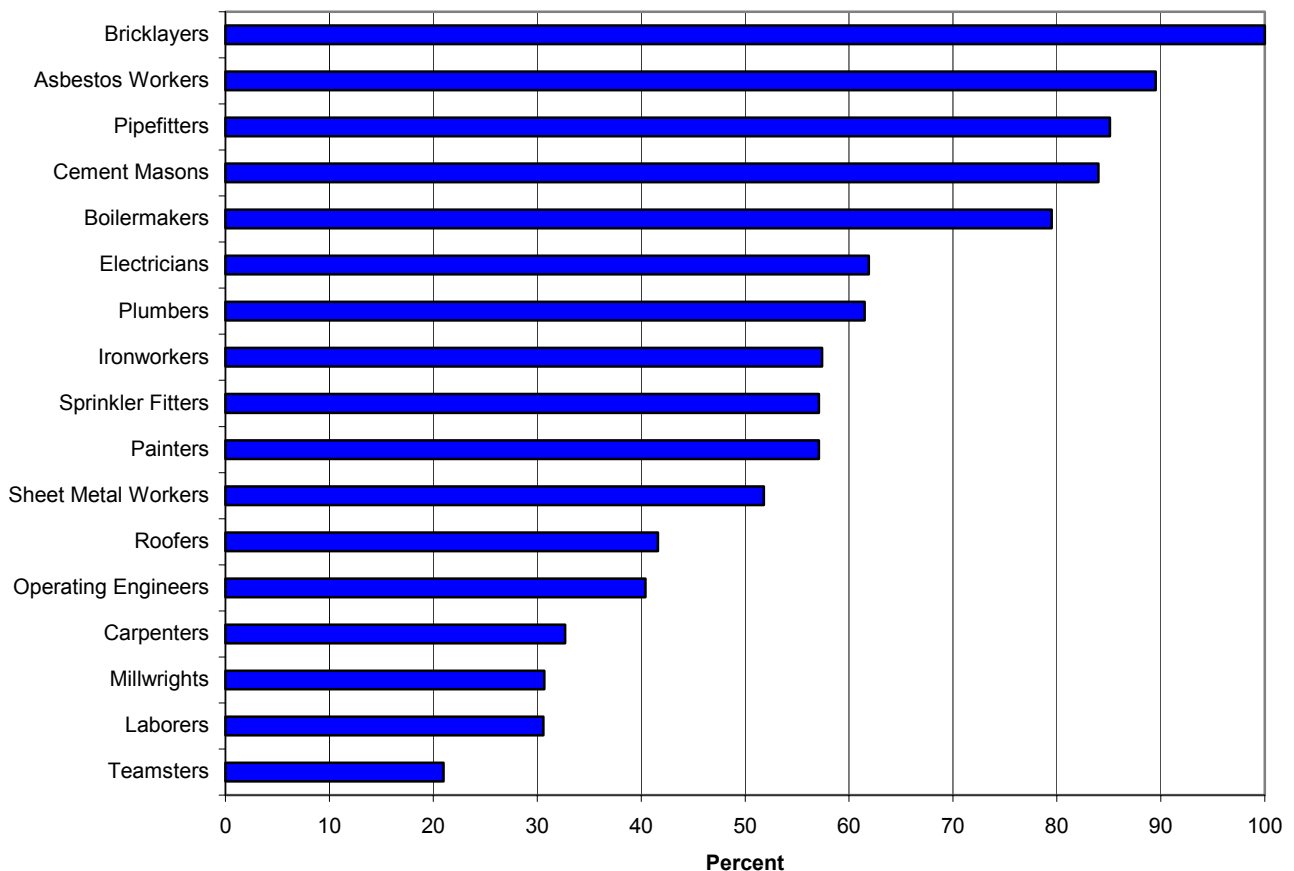
In evaluating progress in implementing past proposals for change in the industry, contractor most often saw improvements in labor-management communications at all levels. Many types of training were also better. At the other end of the scale, the industry situation regarding the teaching of attitude, pride and work ethic was believed to have declined.

Craft Worker Availability

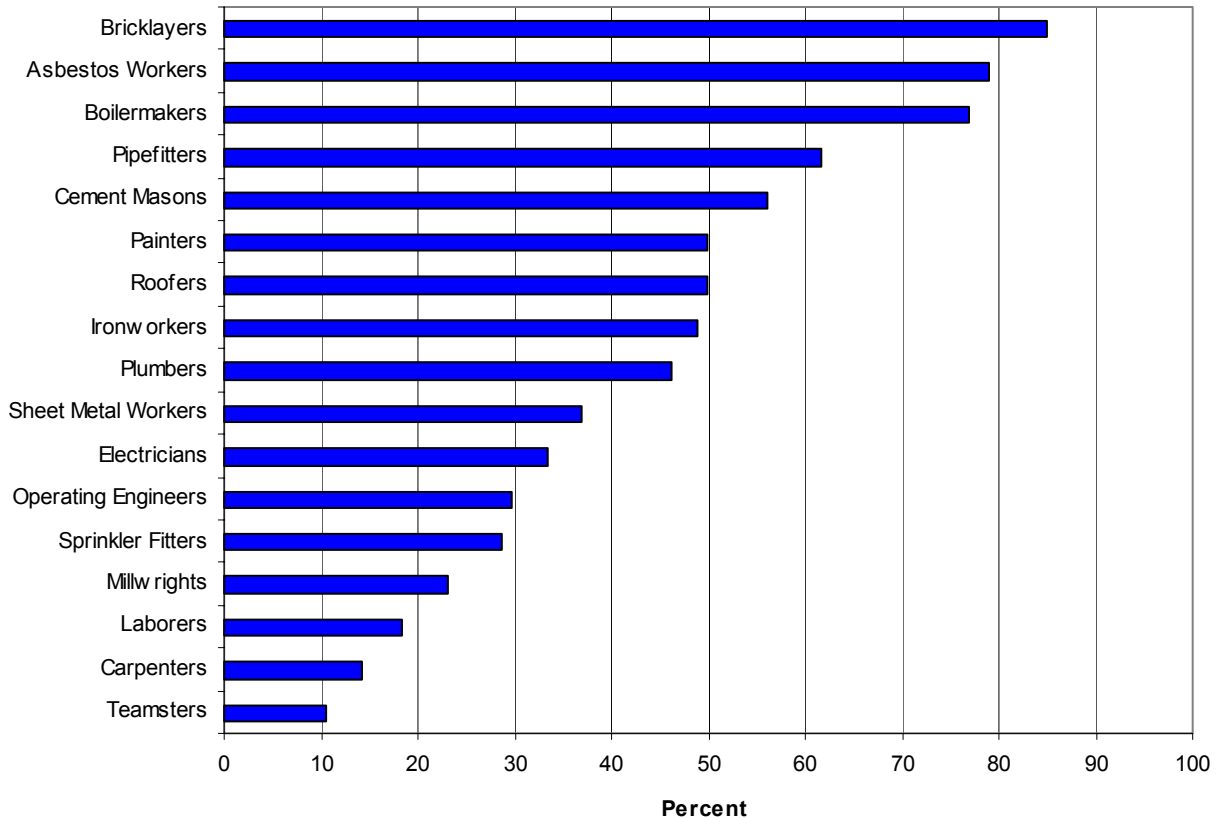
In the strong construction market of the past three years, a majority of contractors reported craft shortages for most crafts. During the past year, as volume eased, companies continued to report widespread problems with labor availability. For both time periods, the same five crafts top the list of most likely to be in short supply – asbestos workers, bricklayers, boilermakers, cement masons, and pipefitters. Bricklayers and asbestos workers were ranked one and two in both periods with every employer who hired bricklayers reporting a shortage at some time in the past three years.

When asked to rate a number of perceptions as to their contribution to craft worker shortages, respondents believed the factor with the most impact was lack of promotion by the educational system, closely followed by union restrictions on available workers. There was no further consensus among contractors as to reasons for availability problems. Two factors stood out as having little or no effect – higher wages in other industries and danger/safety issues.

Did you have craft shortages in the Past 3 Years



Did you have craft shortages in the Past Year



Improving Availability

Over half of all respondents took the time to add comments concerning the causes and solutions to labor supply problems. Many reiterated the importance of some factors which were previously characterized as possible contributors to labor shortages. By far, the number one item mentioned was the need for the construction industry to become more proactive in recruitment.

The industry needs to do more to work with students and schools to inform young people of the opportunities in construction. This was recognition that existing school outreach programs have had some success, as well as the need to make these programs more widespread. Also expressed was the conclusion that past means of filling training openings will be inadequate in the future.

Other points repeatedly mentioned regarded work skills and attitudes. If these were better, output would be better. Inadequate number of apprentices was also noted.

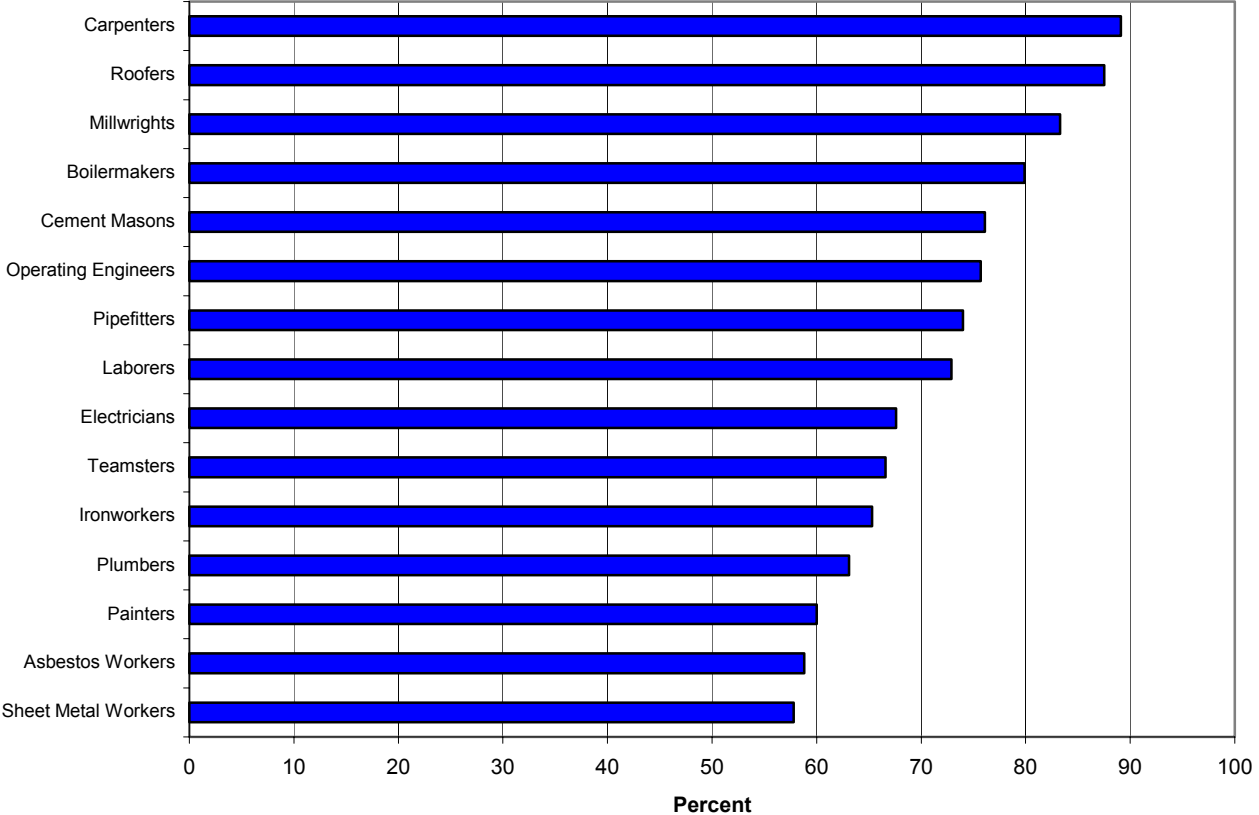
An additional factor identified was related to owners. When owners do not communicate their upcoming project plans, it is often difficult to match demand for labor with supply. Better advance notice by owners was suggested.

Some of the factors which contributed to shortages suggest corrective actions. Other suggestions are:

- Permit contractors to directly hire young people to expose them to the industry and then refer them into apprenticeship programs.
- Recruit entrants from the non-union sector.
- Increase worker mobility, for both journeymen and apprentices.

Apprenticeship and Training

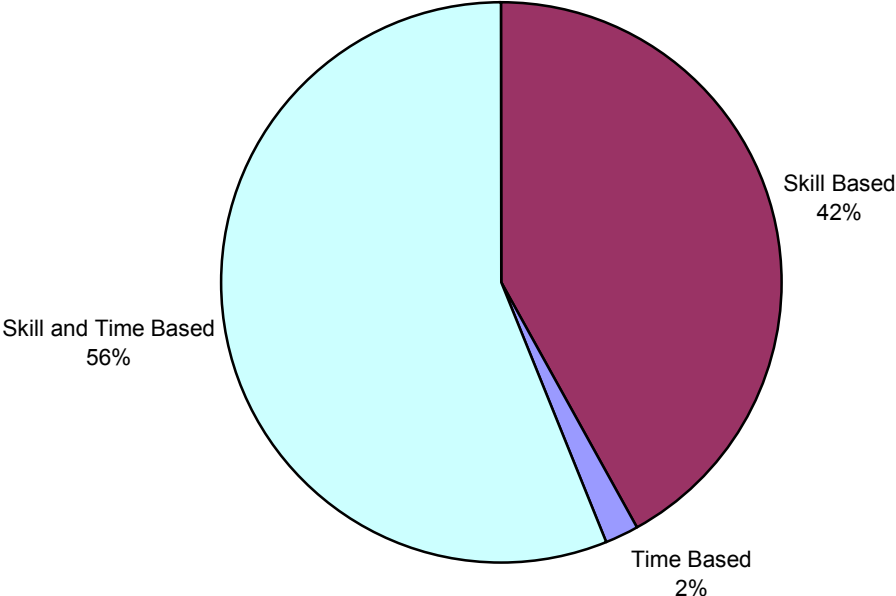
Rate the quality of Apprentices your company employed during 2002



Contractors were generally satisfied with the quality of apprentices on their projects. For a majority of crafts, over 70 percent of respondents judged the quality of apprentices to be “unchanged good” or “improving”. There was still a wide difference of experiences among crafts with high quality responses ranging from almost 90 percent of respondents to less than 60 percent.

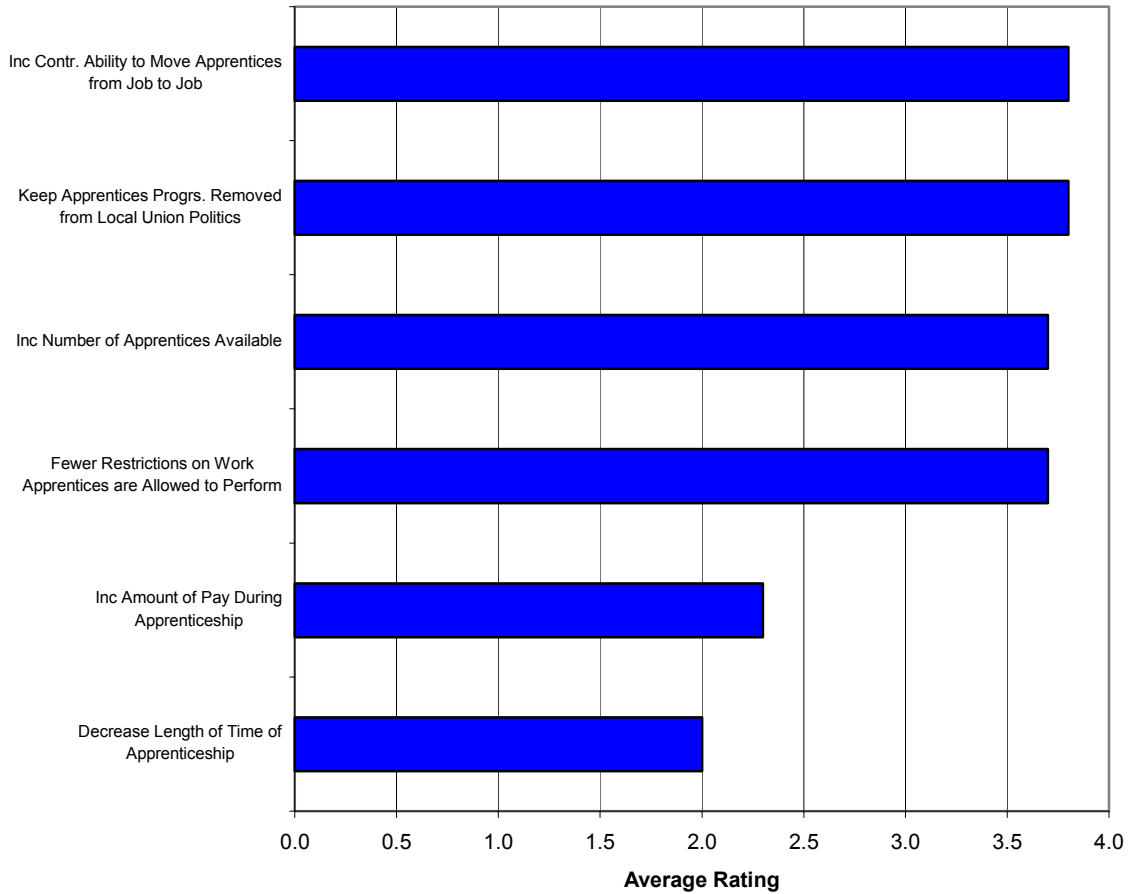
Those contractors reporting that apprentice quality was “declining” or “unchanged poor” were asked to identify reasons. There was little agreement. An almost equal number identified poor attitude, lack of skills and lack of knowledge.

Do you think Apprentices Programs should be "Skill Based" or "Time Based"



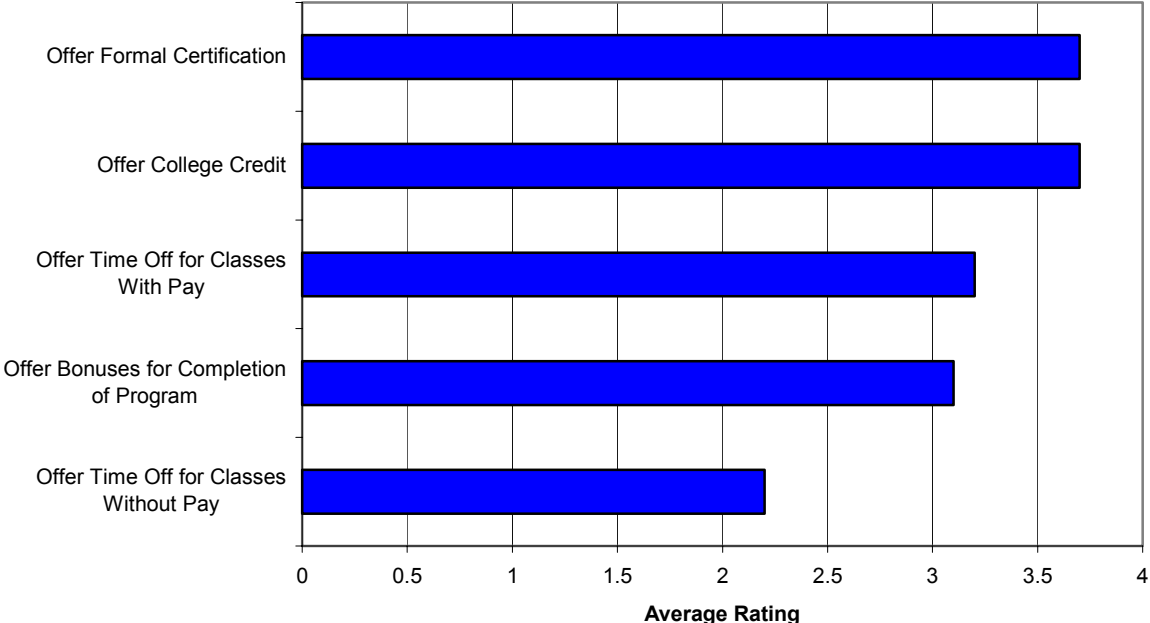
Clearly, contractors believe that acquisition of skills should be a factor in determining the rate of advancement of apprentices. A majority would opt for a combination of skill and time based training. The remainder thought that programs should be entirely skill based.

How effective do you think the following factors are to promoting the use of Apprentices in your company



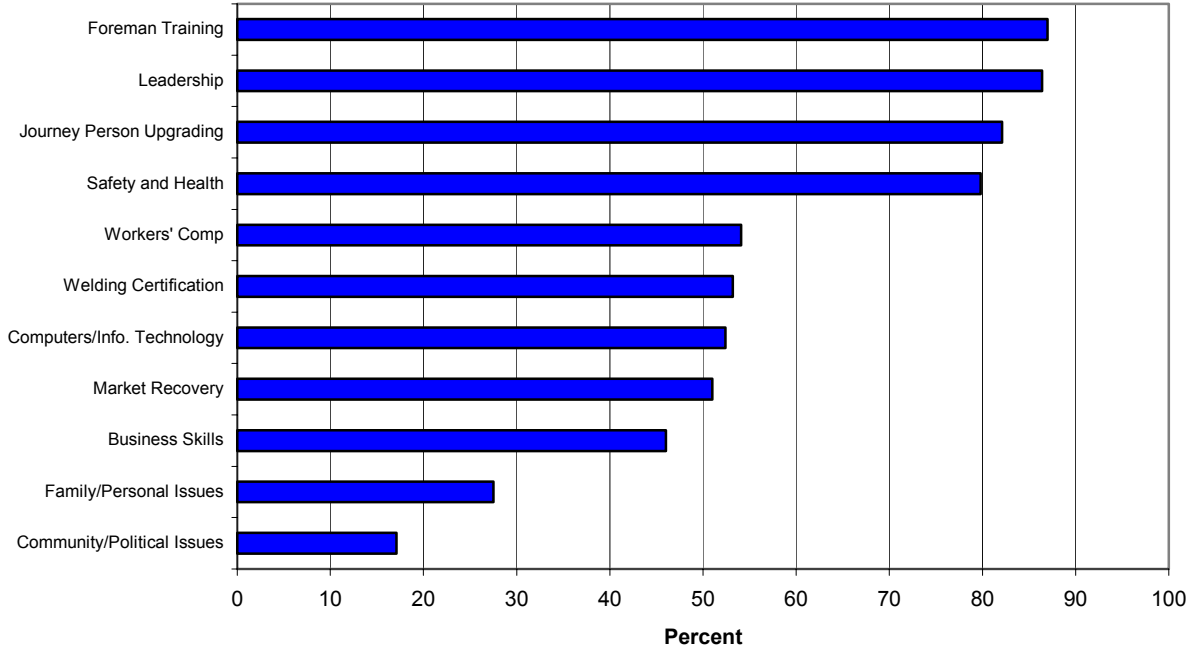
Options for promoting the use of apprentices by companies were rated with a “one” being not effective and “five” being most effective. Four of the suggestions were well received. Increasing the amount of pay during apprenticeship and decreasing the length of time of apprenticeship were not.

How effective do you think the following incentives would be to increase the number of applicants into the Apprenticeship programs



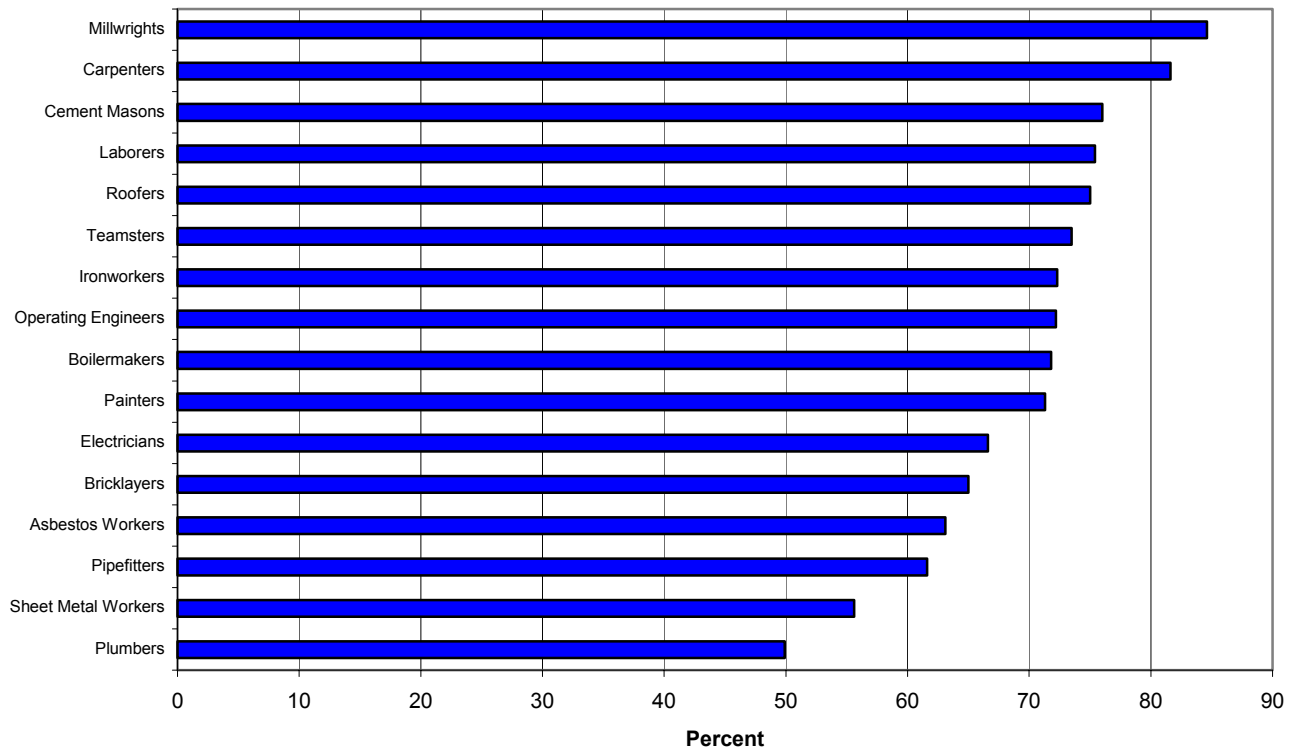
Suggestions for increasing the number of applicants into apprenticeship programs were solicited. Those relating to recognition were seen as being the most effective. Time off for classes without pay had limited appeal.

How important do you think the following subjects are to improving and expanding the union construction industry's training programs



Topics related to improving and expanding the union construction industry's training programs were rated on a scale of one (lowest) to five (highest), the percentage of contractors responding "four" or "five" is shown. Those topics most relating to job performance were rated the highest.

Rate the quality of Journey Workers your company employed in 2002

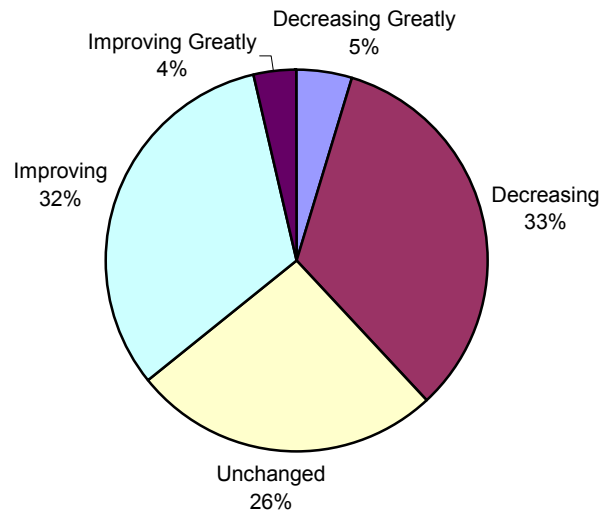


Contractors were generally satisfied with the quality of journey workers who they employed. Most crafts received “unchanged good” or “improving” ratings by over 70 percent of respondents. Specific characteristics evident in the relative rankings are that the basic trades tend to be at the top and the electric/mechanical trades are at the bottom. Furthermore, the more highly rated crafts tended to be the ones with fewest labor shortages (Charts 1 & 2).

Those contractors reporting that apprentice quality was “declining” or “unchanged poor” were asked to identify the reasons. Poor attitude was the number one reason. It was closely followed by lack of skills.

Productivity

How would you rate the trend of your company's field/job site productivity over the past five years



When examining company's field/job site productivity during the past five years, there was a wide variety of responses. The portion seeing improvements was about equal to the portion seeing declines. The number seeing no change almost matched the other two groups.

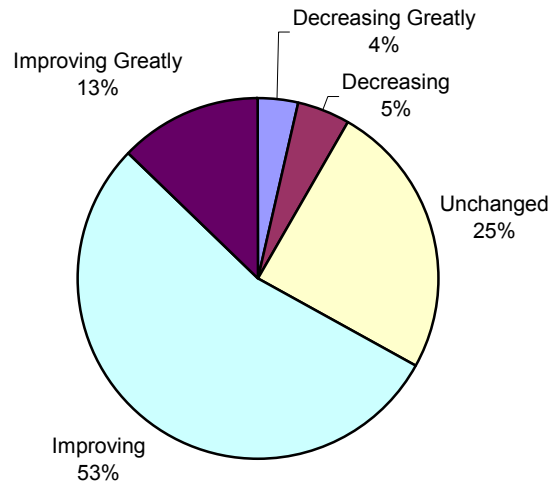
Most respondents identified barriers to improving field/job site productivity. While 25 individual items were noted, a majority fell into two categories: worker attitude and communications.

Poor worker attitude was the most often noted factor constraining field productivity. This was also expressed as poor work ethic or lack of pride. Some related this to local union leaders' attitudes toward contractors. Almost one-third of comments were on this topic.

Communications deficiencies took on many forms and were mentioned almost as often as attitude. There were communications shortcomings between owner and management, management and foreman, and foreman and craft worker. Included were problems with planning, design and drawings, as well as instructions between all parties.

Worker and supervisor (all levels) skills were frequently questioned. Safety was identified in two ways. Some said OSHA and other safety regulations reduced productivity while others identified lack of safety training as a problem. The other general category of comments included jurisdiction, craft fragmentation and work rules/practices.

How would you rate the trend of your company's office/project management productivity over the past five years



Office/project management productivity in companies has improved during the past five years. Two-thirds of respondents reported improvements, some significant. Fewer than ten percent of companies viewed productivity as declining.

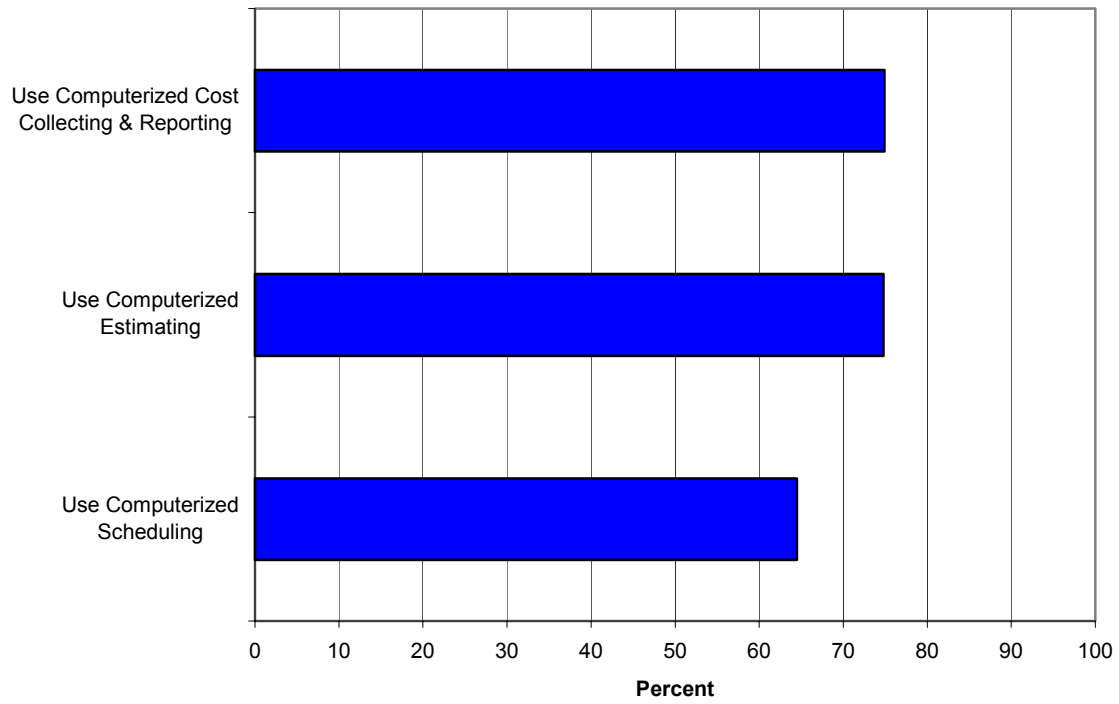
With a significant majority of contractors reporting improved office/project management productivity, there were a limited number of barriers to increased productivity noted. Those that were identified tended to be interrelated rather than independent. Problems related to people.

Lack of training was the number one obstacle. Workers do not have the skills required to use the productivity enhancing tools which are available to a construction office. There was either a lack of time, money or management commitment constraining higher productivity.

While poor communications was the second most common factor identified, it, too, was a combination of other related factors. Both oral and written communication was lacking. Comments were evenly divided between poor paperwork, too much paperwork and too little paperwork. Field to office information flow was often noted as inadequate.

These problems were often seen as a result of poor management commitment or poor execution of goals and objectives (communications, again). Barriers to change were greater than allegiance to change. The situation was sometimes reflected in worker attitude.

Other Productivity Issues



The use of computers in planning, cost control and scheduling is widespread. Financial applications are particularly widely accepted.

Improving Field Productivity

Management Actions

- Improve communications:
 - Set a better example through leadership and attitude.
 - Promptly respond to field needs/questions.
- Provide training opportunities
- Organize/plan better
- Evaluate/upgrade personnel

Field Supervision Actions

- Improve communications:
 - Superiors
 - Subordinates
- Obtain additional training:
 - Planning skills
 - Supervisory skills
 - Human resource skills

Craft Work Force Actions

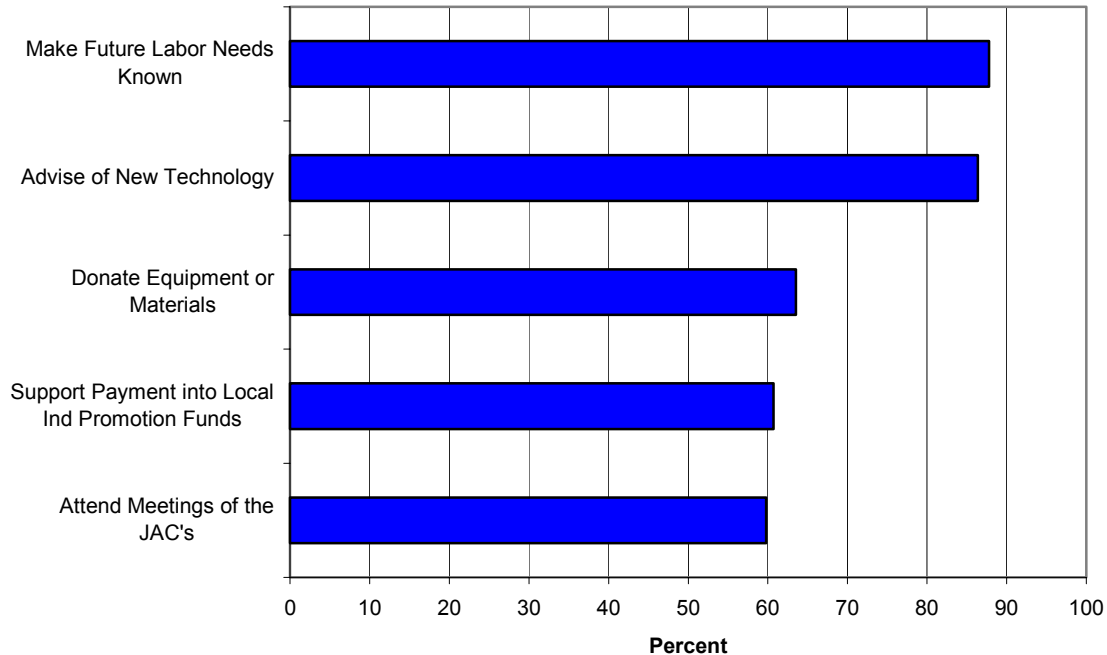
- Seek upgrade training
- Improve attitude:
 - Work ethic
 - Pride
 - 8 for 8

Owner Customer Actions

- Improve planning:
 - Drawings, specs, design, etc.
 - Scheduling
 - Provide more feedback.
 - Support labor-management cooperation

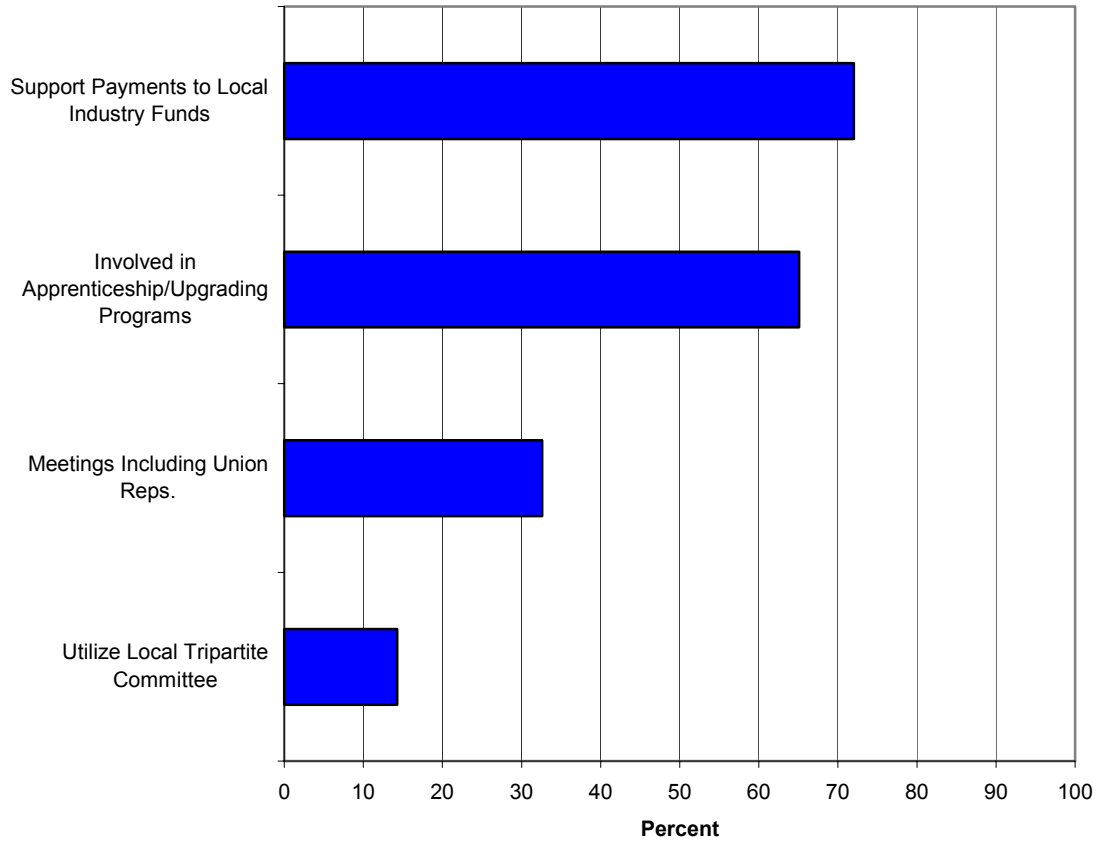
Owner/Customer Issues

Rate the following ideas for more Owner/Customer involvement with the training programs



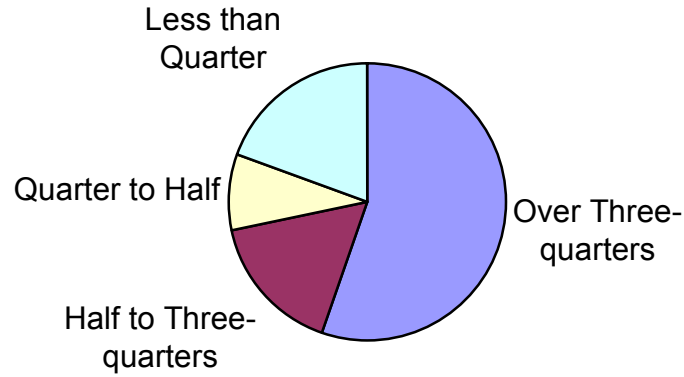
Owner/customer involvement with training programs was most often supported when related to communications issues. When asked to rank suggestions from one “least important” to five “very important”, close to 90 percent checked the two highest importance categories for making future labor needs known and advising of new technology. Support of other possible involvement was considerably less.

Rating Other Owner/Customer Issues



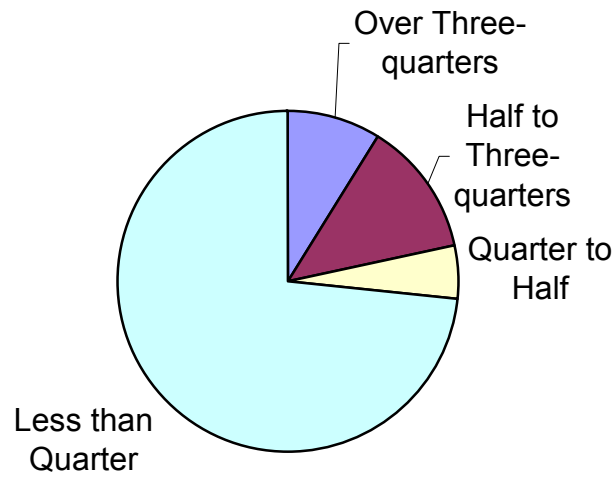
There was wide endorsement of owners/customers supporting contractor's payments into local industry funds. Owners/customers interface with unions is infrequent. Unions are not often included in meetings between owner/customers and contractors and are even less frequently involved in local tripartite committees.

What percentage of Customers require that you provide your company EMR when bidding



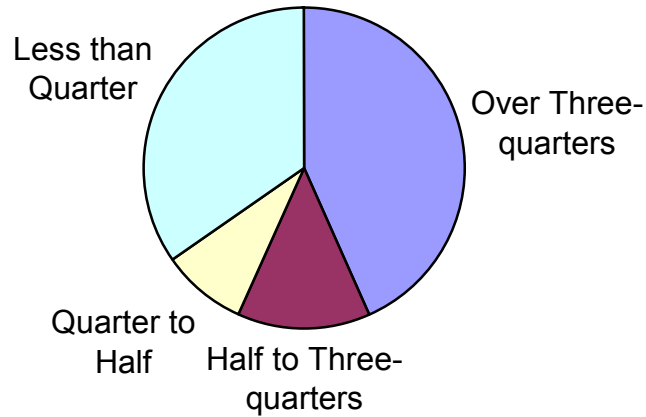
Contractors are often required to provide their EMR to the owner/customer when bidding. A majority of respondents reported that over three-quarters of their owner/customers made this a requirement.

What percentage of Owners/Customers support contractors during local collective bargaining



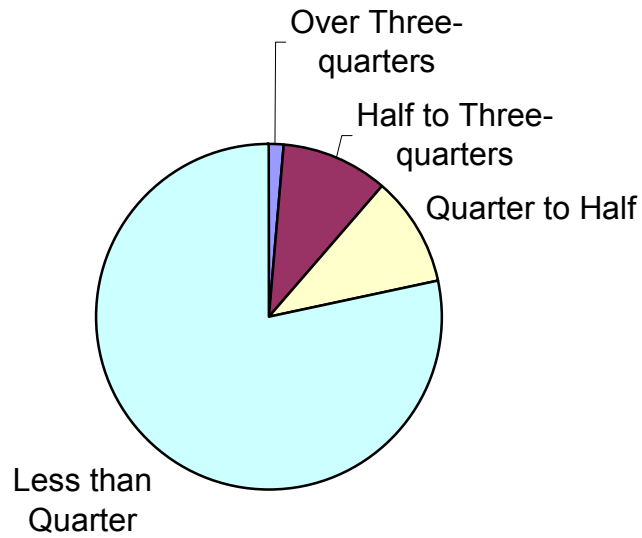
The support of contractors by owners/customers during local collective bargaining is not typical. An overwhelming portion of contractors reported that less than a quarter of their owners/customers support them during local collective bargaining.

What percentage of Owners/Customers require you to work through local collective bargaining work stoppages



Owners/customers followed widely divergent policies regarding working through local collective bargaining work stoppages. According to the responses from the poll, the percentage of owners/customers that required contractors to work through local collective bargaining work stoppages were either those that over three-quarters of the time required them to work through the stoppages, or were those who required them to work through the stoppages less than a quarter of the time. It should be noted that work stoppages have rarely occurred in the construction industry in recent years.

**What percentage of your projects have
Owner Controlled Insurance programs**



Owner Controlled Insurance programs remain the exception. Most contractors reported that fewer than a quarter of their projects have Owner Controlled Insurance Programs.

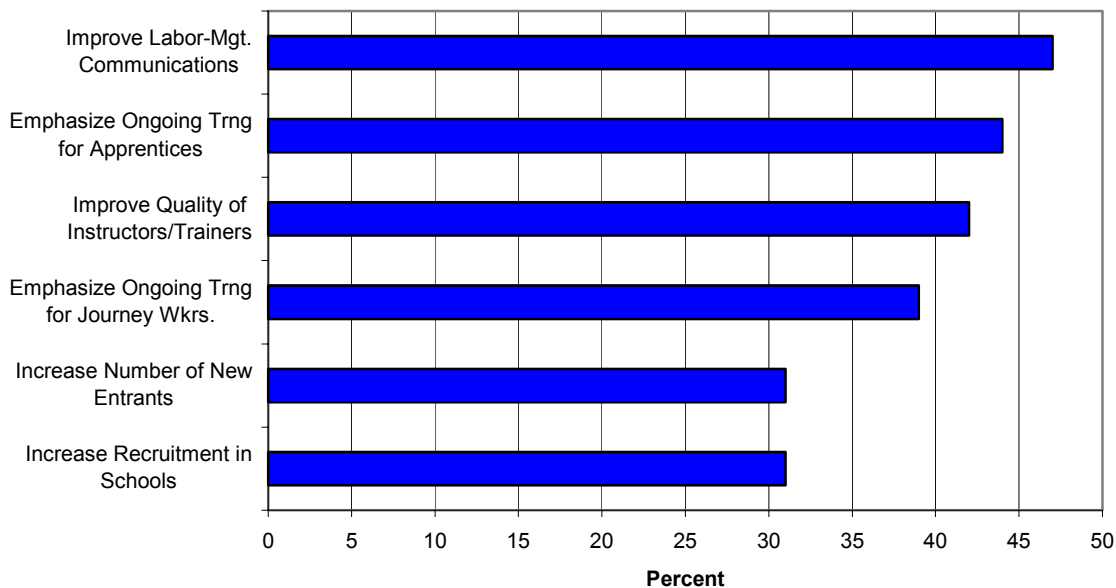
Recommendations to Improve Industry

Similar National Manpower and Training Polls conducted by NEA in the early 1990's developed a series of recommendations to improve the industry. These were based upon the responses of contractors and industrial owners/customers. Respondents to this survey were asked to evaluate the progress which has been made in implementing these recommendations.

These charts indicate, from the respondent's perspective, which of the 21 recommendations have been acted upon most favorably and which have seen deterioration in conditions. Most improved has been labor-management communications, along with several recommendations related to recruitment and training. There was clear-cut dissatisfaction with the state of attitude, pride and work ethic.

The situation was seen as little changed in the past decade for a) increase flexibility on moving craft workers from job to job, b) relax jurisdiction on small jobs, c) standardize working conditions for all crafts, and d) upgrade or eliminate incompetent journey workers. Since the incompetent workers recommendation was also among the highest for a worsening situation, it is likely that a response to situation unchanged was also negative. Responses to other follow-up issues were generally mixed.

Indicate whether the industry has made overall progress in implementing these recommendations
Situation Improved



**Indicate whether the industry has made overall progress in
implementing these recommendations
Situation Worse**

